

The British Academy Annual Report of the Trustees and Financial Statements

For the year ended 31st March 2019



Trustees and Principal Advisers

Council

As at 18 June 2019

Registered Charity No.
233176

Registered Auditors
BDO LLP
55 Baker Street
London W1U 7EU

Solicitors
Macfarlanes
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London EC4A 1BD

Bank
The Royal Bank
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Investment Fund Manager
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BNY Mellon
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One Canada Square
London E14 5AL

President

Professor Sir David Cannadine

Vice-Presidents

Professor Sarah Worthington QC	Treasurer
Professor Dominic Abrams	Vice President, Social Sciences
Professor Ash Amin	Foreign Secretary
Professor John Baines	Vice President, British International Research Institutes (resigned 19 July 2018)
Professor Alan Bowman	Vice President, Humanities (resigned 19 July 2018)
Professor Aditi Lahiri	Vice President, Humanities
Professor Roger Kain	Vice President, Research and Higher Education Policy
Revd Professor Diarmaid MacCulloch Kt	Vice President, Public Engagement
Professor Mary Morgan	Vice President, Publications (resigned 19 July 2018)
Professor Genevra Richardson	Vice President, Public Policy
Professor Hamish Scott	Vice President, Publications
Professor Charles Tripp	Vice President, British International Research Institutes

Ordinary Members

Professor David Abulafia (resigned 19 July 2018)	Professor Glynnis Jones
Professor Julia Barrow	Professor Simon Keay
Professor Christine Bell	Professor Michael Keating (resigned 19 July 2018)
Professor Maxine Berg (resigned 19 July 2018)	Professor Michael Moriarty
Professor Julian Birkinshaw	Professor Anne Phillips
Professor Joanna Bourke	Professor John Scott
Professor Stella Bruzzi	Professor Sally Shuttleworth
Professor Eleanor Dickey	Professor Nicholas Sims-Williams
Professor Marianne Elliott (resigned 19 July 2018)	Professor Sarah Whatmore
Professor Jane Humphries	Professor Bencie Woll (resigned 19 July 2018)

Chief Executive and Secretary

Robin Jackson

Senior Management Team

Liz Hutchinson	Director of Communications
Jo Hopkins	Director of Development
Molly Morgan Jones	Director of Policy
Vacancy	Director of Research
Andrew Farrell	Director of Resources

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Trustees' report for the year ended 31 March 2019

Foreword

Professor Sir David Cannadine, President

I'm delighted to present the British Academy's Annual Report for 2018-2019 – a year of real development and the opening up of possibilities to grow further still. The Wolfson Foundation made the largest pledge the Academy has ever received to kick start a transformative programme of building and engagement activity, generous and diverse funding from Government and a growing political and public recognition of the importance of our subjects.

There has been much change internally too, and particularly to our senior leadership. I am grateful to Robin Jackson for agreeing to lead the organisation once more as we conduct an extensive and global search for a new Chief Executive. In Robin and his fellow Directors, as well as among our wider staff body, we have a talented team of people who have worked incredibly hard this year to achieve all that is described in this report.

But this provides just a 12 month snapshot of an organisation with a one hundred year history of doing good, and ambitions to do even more good over the next century and beyond.

Throughout that long history we have been concerned with drawing in and reaching out - bringing together our Fellowship and funded researchers and the ideas they generate to connect tangibly, proactively with others across the world – whether that is with other scholars, with policy and decision makers in political and civil society or with the public at large.

This sense of reaching out – across geographical and disciplinary boundaries, and to anyone who might benefit from the insight and knowledge we offer – is at the heart of our ambitious plans to transform our home in Carlton House Terrace, and in doing so, to reassert the Academy's position at the heart of the intellectual life of the UK.

There is much to do to realise that vision but I hope this account of our recent efforts provides necessary and ample reassurance that we have both the willpower, and the people power, to get there.



David Cannadine
President, the British Academy



Introduction

Robin Jackson, Chief Executive and Secretary

"I have discovered with pleasure that my distant perception of great things happening at the Academy has been confirmed."

Since retiring from the office of Chief Executive in 2016, I have admired from a distance all that has been achieved since then, and particularly the success in raising the profile and extending the global reach of an organisation that has much to offer a somewhat vexed world.

On returning to the Academy in this interim capacity, I am eager to do what I can to ensure that the Academy continues on its upward and outward trajectory by providing effective operational leadership.

I have discovered with pleasure that my distant perception of great things happening at the Academy has been confirmed. In this report you will find more of everything - more funding distributed to talented researchers, more distinguished Fellows from the UK and overseas, an expanded programme of public engagement, more influential work with policymakers and increased activity around the globe.

Highlights included the following

- We have made almost 800 awards of research funding in the UK and internationally, including 10 new global professorships.
- For the sixth year in a row, the Academy made more awards to women (52% of the total).
- We have worked with partners in the US, India and South Africa on a growing series of early career researcher symposia that are strengthening UK collaborative links internationally at this critical stage of academics' careers.
- We have informed the debate on a series of issues related to the UK's projected withdrawal from the EU, including supplying a lead voice promoting the importance of the humanities and social sciences in future EU Framework Programmes.
- We increased the number of elections of distinguished academics to the UK Fellowship, broadening the range of scholars elected.
- We began a new partnership with Government to examine the histories of policymaking; beginning with the history of industrial strategy.
- More British Academy events took place in the UK regions, with new partnerships with Buxton and the British Science Festival and institutions such as the Victoria and Albert Museum, the British Museum, National Gallery.
- Around 9,000 members of the public have attended our events and we have made great progress in diversifying our audiences, particularly with under 35s.
- Our work is securing more national media coverage, as an advocate for our disciplines on topics such as the take-up of language study, decline in the study of Theology and Religion and the importance of historical context in government policymaking.

I commend the Academy's Fellows and staff for all they have achieved this year and look forward to playing my part once more, as the Academy continues on its exciting journey.

Robin Jackson,
Chief Executive and Secretary

Objectives

We have a new strategic plan, reflecting the changing context in which we operate and a desire, shared by the Academy's Fellows and closest stakeholders, to be a more open and outward facing organisation.

Our new Strategic Plan (2018-2022) seeks to champion and celebrate our disciplines and to affirm the British Academy's role as a funder of innovative research, while also demonstrating the relevance of those disciplines by informing new audiences, enriching debate, collaborating with new partners and sustaining international engagement.

Our five priorities

1 2 3 4 5

To speak up for the humanities and social sciences

To invest in the very best researchers and research

To inform and enrich debate around society's greatest questions

To ensure sustained international engagement and collaboration

To make the most of our assets to secure the Academy for the future

Everything we do is based upon our four values

Connectedness

We collaborate with partners across the globe, bringing people together to exchange knowledge and test reasoning. We demonstrate the relevance of our research to all people, societies and to the future of humanity. We are active internationally, funding research of global significance, and we use our convening power to bring together diverse communities. We share ideas to shape policy and enrich public debate.

Leadership

We count among our Fellowship the world's leading minds from the humanities and social sciences. We are committed to identifying and supporting the next generation of leaders. We invest in the most outstanding and exciting people and projects in our field, wherever they are found, to advance our disciplines.

Integrity

We act always on evidence and our academic independence is paramount and non-negotiable. Our long history of trustworthiness and impartiality provides the foundation for our enduring relevance.

Enlightenment

We believe in the value of knowledge both for personal enrichment and for the health of society. We engage with curious minds and promote lifelong learning. We help to provide the very best insight into people, cultures and societies.

Achievements

To speak up for the humanities and social sciences

The Academy held its first **Summer Showcase** in June 2018 – a free two day festival celebrating the fascinating research shaping the world in which we live. The Showcase presented 15 exhibits from current and recent British Academy award-holders, together with a programme of related talks and performances. 1,750 people visited the Showcase, with 99% of visitors rating their overall impressions ‘above average’. On the public days of the festival, over half of the 1,050 people in attendance were under the age of 35, while 22% identified as non-white. It provided a range of opportunities for the Academy in the regional and national media, including a number of slots on the BBC. The digital promotion of the Summer Showcase was seen by over 120,000 people, and related content on our website received almost 25,000 pageviews.

In November, the Academy delivered a new social media series, **#howhumanities** and **#howsocialscience** to speak up for the subjects and demonstrate their importance. In the first few weeks, there were more than 900 tweets and retweets with #howhumanities and 800 for #howsocialscience, with more 50 universities, institutions and organisations taking part to share their stories.

The Academy continues to enhance its **digital presence**, with the website receiving over 1 million sessions – the highest ever, and a 250,000 increase on last year – and the audience for social media channels and e-newsletters is increasing rapidly.

We have ensured that input to policy relating to higher education contributes to the continued health of the humanities and social sciences. For example, we have highlighted the need for a constructive dialogue to move towards making academic monographs available through **Open Access** and the implications of **Plan S** for early career researchers. As a result of our interventions and commentary, we were asked to contribute to United Kingdom Research and Innovation’s (UKRI) review of Open Access policy.

The Academy provided evidence to **the review of post-18 education and funding**, highlighting the risks of overly relying on market-driven solutions for higher education and urging the Government not to prioritise some disciplines over others, arguing that a healthy, prosperous and global Britain needs a diversity of graduates.

We have continued to work with our sister national academies to build the evidence base supporting investment in research and innovation, and to use these findings to encourage Government efforts toward achieving **2.4% of GDP investment in R&D**. Working with the other academies, we completed a project called *A Fresh Case for Investment in Research and Innovation* with the publication of two evidence syntheses, identifying and measuring the range of benefits delivered by research, and the conditions needed to produce these benefits. Representatives from the project steering group met the Chancellor to discuss the findings and the case for investment more broadly.

The Academy continues to play a vital role in **monitoring the health of our disciplines** and highlighting areas of concern. Our work on language learning received traction in the media and politically. An Academy statement, backed by all three other national academies, called on Government to implement a **‘national strategy for languages’**, aimed at capitalising on the UK’s linguistic potential to create better global citizens. This was widely covered by the media, including the BBC, and publicly welcomed by the All Party Parliamentary Group for Modern Languages, as well as several MPs and Peers. We launched an interactive map looking at Arabic, a language of strategic importance to the UK. This map shows teaching provision, capacity and pathways from secondary school to postdoctoral research.

We worked with the Royal Society to evaluate **the ecosystem for educational research**, and found that relationships between researchers, teachers and policy makers were weaker than they could be, and that flows of information and funding could be more strategic. With the support of the Department for Education, we are now working to facilitate the creation of an Office for Educational Research, which will help to strengthen coordination across the ecosystem.

To invest in the very best researchers and research

We continue to support a wide range of researchers at key career path moments – early career, mid-career and senior scholars underpinned by the Small Research Grants scheme, funded from a range of sources including the Department for Business, Energy and Industrial Strategy and the Leverhulme Trust.

In 2018-19, the Academy was able to appoint **54 new Postdoctoral Fellows**, including 10 supported by the Global Talent Fund. This welcome new funding of 10 additional awards for each of the next three years by the Department of Business, Energy and Industrial Strategy (BEIS) reflects the international reach of these awards, which help early career researchers without a permanent academic post to develop their careers. This puts them in a better position to obtain permanent academic posts at the end of the awards.

An **independent evaluation** of the **Postdoctoral Fellowship** scheme found that universities agreed that these awards provide a strong platform for academic careers. The ability to do independent and high quality research is most important and is highly valued by academics and universities. Universities acknowledge that a British Academy Postdoctoral Fellowship is a highly meritorious award, marking a recipient as a future research leader.

A similar **evaluation** of the **Mid-Career Fellowships** found that these awards have a significant impact on research culture. They are held by more established researchers, often already leaders in their department, and recipients are able through the award to influence colleagues and wider research culture.

Funding was also received from **JISC** to enable a new partnership to offer seven special one-year grants for **Digital Research in Humanities**, supporting innovative research through the application of new methods and tools to existing digital resources. Projects being funded include research into the history of learning difficulties and analysis of criminal tattoos.

Newton International Fellowships led to the creation of enduring international networks. In the past year eleven new awards were made to researchers from France, Brazil, Israel, Turkey and other countries to collaborate with UK hosts. A feature of the scheme is support for alumni which enables networks to continue when award-holders leave the UK at the end of the Fellowship. 17 former Newton International Fellows benefited from grants averaging over £9,000 each to maintain and extend collaborations with the UK academic community.

This year we launched a major new initiative with the Wolfson Foundation to support and celebrate the next generation of research and engagement leaders in the humanities and social sciences. This new programme will support six early-career academics over three years, releasing award-holders from administration and teaching duties to pursue their research.

We have also reformed our programme of academic conferences in order to provide for more events, and events at venues beyond London. An independent evaluation had demonstrated the academic value of Academy sponsored conferences, in particular helping to establish networks to pursue themes aired at the conferences.

Ten themed volumes in the *Proceedings of the British Academy* series were published, many derived from the Academy's conferences programme. This traditional publication route is now complemented by the addition of themed supplementary issues to the open access *Journal of the British Academy*, publishing findings from the Academy's major research endeavours. And the *British Academy Monographs* series continues to provide a prestigious publishing opportunity for Academy-supported early career researchers.

Diversity in its broadest sense remains a priority for the Academy. This year we have increased the number of elections to the UK Fellowship per year to 52. This increase will help broaden the diversity of the Fellowship. We are also planning an increase in the number of elections to Corresponding Fellowship (i.e. scholars from overseas). A Diversity Working Group continues its work, examining issues of geographical breadth and academic discipline – including new and emerging subjects, as well as those under threat.

The range of universities receiving funding from the Academy continues to grow, with scholars at 115 research and higher education institutions being supported. We have continued university visits to promote the work of the Academy and the funding opportunities we offer, including events at the National Archives, Queen Mary University of London, King's College London, the Universities of Bristol and Surrey, Work and Employment Conference at Queen's University Belfast, the Arts and Health Network and the European University Institute.

To inform and enrich debate around society's greatest questions

We have been commissioned by the Department of Business, Energy and Industrial Strategy (BEIS) to develop policy histories - one on science policy and another on trade policy - to help build the Department's institutional memory and to act as a resource for civil servants new to these policy areas.

We held a panel debate to mark the publication of **Governing England: English Identity and institutions in a changing United Kingdom** which was the final element of the two-year public policy programme. Our work on devolution continues to attract the interest of policymakers, and we provided evidence to a Local Government Finance and the 2019 Spending Review Inquiry.

We published, jointly with the Royal Society, an evidence synthesis on the impact of **artificial intelligence on work** to examine research from a range of academic disciplines and to establish the degree of confidence we can have in the various projections currently being made as to the numbers of jobs which will be lost, changed or created as a result of artificial intelligence.

Our work on **cohesive societies** continues: we hosted an event with the Runnymede Trust on A British Approach to race discrimination law and policymaking to mark Runnymede's 50th anniversary. We have also published literature and policy reviews. We made a submission to All Party Parliamentary Group on Social Integration inquiry into intergenerational connection. These build on our previous submission to Government on its Integrated Communities Green Paper and our "If you could do one thing..." report on social integration.

We have also been using our insights to shape business – with our **Future of the Corporation Programme**. Aimed at examining the role and purpose of modern business in society, the programme published its first phase of research at the Guildhall, with a speech by the Secretary of State for Business, Energy and Industrial Strategy and a statement of support backed by leaders in business and academia. The launch was covered in national media and business trade publications. The programme is now developing policy based on its research and extensive

deliberations with practitioners and stakeholders. The outcome will be published in November 2019. This programme is based on generous philanthropic funding.

The Academy took part in the **ZEE Jaipur Literature Festival** to launch and promote the Nayef Al-Rodhan Prize for Global Cultural Understanding. This initiative helped to raise awareness of this valuable prize internationally. As a result the 2019 Prize received an increased number of submissions and of international books. The Festival also provided a valuable opportunity to strengthen links with the publishing industry.

To ensure sustained international engagement and collaboration

The Academy has continued to engage with partners across Europe with a view to building links between the UK and other European countries as well as garnering support for the UK's continued participation in **Horizon Europe**.

Under the auspices of the European Federation of Academies of Sciences and Humanities (ALLEA), we co-produced a series of papers exploring current and past dynamics of **trust in expertise**. Through the ALLEA Working Group on Truth, Trust and Expertise, co-chaired by former President Baroness O'Neill of Bengarve, the Academy questioned how valid knowledge – particularly between communities of research, policy and practice – should be acquired and communicated.

Our **Brexit briefings** have been widely read and have played a key role in calling policy and public attention to thorny issues related to the UK's projected exit from the EU. In particular, our publications and broader activities, undertaken jointly with the Royal Irish Academy, have highlighted the potential impact of Brexit on the Island of Ireland economy and the UK-Irish border. As part of the same series, we have underscored how essential **European research collaboration** is for the health of the humanities and the social sciences in the UK, and for UK higher education and society more broadly.

We also expanded our engagement with partner organisations **outside Europe**. As part of our commitment to supporting the development of the next generation of talent in the UK and overseas and to promoting international research collaboration and mobility, we held an array of capacity-building symposia for early career researchers in South Africa, India and the USA.

We have expanded our support and training particularly for researchers in the Global South. Our **writing workshops** have supported nearly 40 projects geared towards developing the capacity of early career scholars in developing countries to publish in international journals. The most recent cohort of award-holders is based in countries across Africa, Asia and the Middle East.

Through our five **international priority themes** and our various **challenge-led programmes**, we have supported analysis of the highest quality on issues where our disciplines can make powerful contributions to improving understanding and ongoing debates on societal challenges. Research we have funded relates to heritage, dignity and violence; facial recognition in the criminal justice system; tackling climate-related health risks in urban slums; the implications of Brexit for communities living on the UK's borders; and community-based mental health improvement in Guyana.

We launched a new flagship programme, **Global Professorships**, to attract talented international scholars to the UK with the aim of strengthening UK research and higher education and demonstrating the UK's commitment to international research collaboration. The first cohort of Global Professors comes from seven different countries (Australia, Ghana, South Africa, USA, Chile, France and Spain) spread over five continents.

We have also continued to engage with **topics of global significance**, informing policy thinking and public debates. We worked with the UK's Department for International Development and the Foreign and Commonwealth Office to convene a series of expert meetings on violence in schools in high-risk environments, and collaborated with international organisations, such as the UN, on issues related to modern slavery, gender inequality and state fragility.

The **British International Research Institutes (BIRI)** which we grant fund have continued to strengthen connections with in-country ministries, political networks, diplomatic missions and the British Council. For example, the British School at Athens (BSA) has worked with the UK Embassy in Athens to promote and develop research links between the UK and Greece. The British Institute of Persian Studies (BIPS) has collaborated with a number of Iranian cultural/academic institutions, to help open up relations between BIPS and Iranian bodies. The British Institute in Eastern Africa (BIEA) has worked with the High Court of Kenya, the National Gender and Equality Commission of Kenya, and the Kenya National Human Rights Commission (among others) on questions of how care labour is valued, helping to address the United Nation's (UN) Sustainable Development Goal 5: target 4 in plural legal systems.

The British School in Rome (BSR) is involved in the renewal of a bilateral Memorandum of Understanding between the UK and Italian governments, which commits both nations to strengthening their cooperation in the field of culture and through new partnerships and projects.

The British Institute at Ankara (BIAA) is leading a collaborative project, 'Safeguarding Archaeological Assets of Turkey', with a grant of just under £1 million from the Cultural Protection Fund. This project involves the development of an online course on museum emergencies, a nationwide public survey on the meaning of heritage in Turkey, and other heritage management research and associated activities. BIAA successfully moved to new premises in Ankara at the end of June.

The British Institute of Persian Studies (BIPS) is a partner in the Parthian Coin Project bilingual Memorandum of Understanding with the British Museum, Kunsthistorisches Museum in Vienna, and the Muzeh Melli (the National Museum) in Iran. BIPS has also been invited to participate at an exhibition at the National Museum of Iran in 2020.

To make the most of our assets to secure the Academy for the future

We continue to seek to use all our resources – our money, people and building – as efficiently as possible and to ensure the best possible **value for money** from our resources.

We have introduced a new electronic **grant management system** (Flexi Grant), aimed at heightening efficiencies as well as supporting potential synergies with the other academies, which all now use the same system.

Clio, the Academy's commercial arm now generates some **£3m income** and nearly £1m surplus annually. There were over 2,000 meetings and events this year, including internal meetings, meetings for Fellows, higher education bodies, charities and commercial clients. **Repeat business** from corporate clients remains strong, and we have hosted clients including PWC, EY, Accenture and McKinsey as well as regular government bookings from the FCO, HM Treasury and the Home Office.

Philanthropic income is a vital part of our resource stream. Our development and fundraising team has raised around £2.4 million from non-government sources. Many of our own Fellows and award-holders provide donations and legacies. A **legacy** from Professor Donald Winch FBA of over £500,000 will establish a

fund for research on intellectual history and the history of ideas. We are most grateful for this generous support, which gives the Academy valuable freedom in developing its programme of activity.

We continued to invest in our **building** with upgrades to the Wolfson Lecture Theatre, refurbishment of the Gallery and Lobby and other spaces. We upgraded our IT to include better WIFI and cloud-based services to boost resilience.

Our art display has featured a major re-hang. The lobby of no 11 has been enhanced by the large group portraits of Fellows which convey the Academy's identity in a major public area. The Mall Room has been enlivened by new loans, including several pieces from previous British School at Rome award-holders. The Gallery now displays two specially commissioned wall hangings by textile artist Michelle House.

New initiatives in relation to staff engagement included regular surveys designed to measure levels of satisfaction and identify issues. A new Staff Engagement Forum is in place as well as a staff working groups on diversity and staff communications.

£10m

We were delighted to secure our future in Carlton House Terrace by extending our lease, retaining our unique location and central role in the country's intellectual and cultural life. The extension was made possible by a generous grant from Her Majesty's Government through the Department for Business, Energy and Industrial Strategy. This enabled the Academy to secure £10 million of funding from the Wolfson Foundation. The funding will be used for two primary purposes – redevelopment of our building and support for early career researchers.

1,047

We supported 1,047 grants and fellowships during 2018-19

115

Our funding went to award-holders based at 115 Higher Education Institutions

52%

52% of awards made to women

Ambition and long term strategies

A focus for the Academy in the year ahead will be a programme of work aimed at transforming our building at 10-11 Carlton House Terrace and bringing about a step change in the way in which we use our convening power to draw people in, as well as making use of the best technology to reach out. This programme cuts across the Academy's operations from fundraising and facilities, to events and engagement with policymakers.

Strengthening the Academy's commitment to diversity in all its forms remains a high priority. A Fellows working group will continue its work to assess what more can be done to increase diversity among our Fellowship and funded researchers, while a staff group looks at issues from an employee perspective.

We have worked with the other national academies to prepare a strong case for the expected Government Spending Review. Handling the implications of exiting the EU will also undoubtedly be a key priority for the Academy in the coming year.

Recruitment for a new Chief Executive begins in the Summer of 2019.

1,750

1,750 attendees at the Summer Showcase

£50m

Total expenditure on research and international funding amounted to around £50 million

9,000+

9,000+ people attended public events

45%

45% of public events were held outside London, up from 30% in 2017-18.

1m

Over 1 million website sessions

Impact and value

52

Increase in UK elections to the Fellowship to 52 in the year

41

41 reports and papers informed policy making

250%

250% increase in number of nominations for the Nayef Al-Rodhan Prize from 2017 to 2018, as well as 31 pieces of media coverage

Voices

Dr Rachael Wiseman, Lecturer in Philosophy at the University of Liverpool, Small Research Grant in 2013/14 and a Rising Star Award in 2017. “The funding and networking opportunities the British Academy facilitates...have been...key to engaging policy makers and the public with my research. I am now part of a team of researchers at University of Liverpool who have a residency in NHS-Northwest to look at professional and personal integrity in end-of-life care: this would not have happened without the support provided by the British Academy.”

Dr Nikolas Kirby, Research Fellow in Philosophy and Public Policy, at the Blavatnik School of Government, University of Oxford. “The Future of the Corporation... provided the opportunity to take part in an ambitious, sophisticated, collective endeavour. The programme allowed us to take risks in reaching across disciplines, and facilitated our engagement with business leaders... our piece of work now stands to have much greater impact than it might otherwise.”

Professor Sir Paul Nurse FRS, HonFBA

“Our pursuit to better understand the world and its challenges requires insights from physical sciences, humanities, and social sciences in equal measure. It also depends on nurturing the brightest early career academics and helping them engage a wider audience with their research.”

BBC News Online

“The British Academy, the national body for the humanities and social sciences, threw open the doors of its London headquarters for a summer showcase, promising ‘ideas for curious minds.’”

Parliamentarian

“Learning foreign languages at school has hit an 18 year low. The UK’s poor language capacity has cost the economy approx.. 3.5% of GDP. We must get back to being a competitive, global Britain. Which is why this campaign for a national languages strategy is so important.”

Financial Review

Results for the Year

The financial statements for 2018/19 report on the trend of expansion for the Academy, largely due to the continuation and development of existing funding streams. Like for like total incoming resources of the Academy, excluding the £14.0m capital grant received in 2017/18, increased by 11% from £48.2m to £53.4m. Total expenditure increased by 12% on the prior year from £47.0m to £52.4m as the Academy has continued to expand its charitable programme. Expenditure on charitable activities increased from £44.8m to £49.9m and remains at just over 95% of total expenditure, in line with 2018.

The Department for Business, Energy and Industrial Strategy (BEIS) remained the Academy’s principal funder, with £27.0m of the group’s total income of £53.4m coming in the form of recurrent annual BEIS grant. This was fully invested in research and scholarship across the humanities and social sciences and includes grant for operational delivery of the investment. BEIS also provided a grant of £7.2m to the Academy under the Investment in Research Talent Fund, £6.9m through the Global Challenges Research Fund and £2.7m from the Newton Fund. Additional funding was received from the Department for International Development (DfID) which totalled £2.1m related to ongoing international programmes.

Resources were largely expended on supporting the most talented people at key stages of their careers through fellowships and small scale innovative funding. The British International Research Institutes programme accounted for a spend of £4.4m. Spend on existing international programmes totalled £10.3m, including Global Challenges £3.2m, Cities and Infrastructure £3.0m, Early Childhood Development £1.8m, Visiting Fellowships £0.9m, Modern Slavery £1.1m and Anti-Corruption £0.3m. Expenditure on our new international programme, Global Professorships was £1.5m.

Group accounts were again prepared for the Academy and its wholly owned subsidiary, Clio Enterprises Limited (“Clio”). Trading activity conducted through Clio again generated a valuable unrestricted surplus, this year totalling £0.9m.

Clio fulfils several purposes and it underpins the Academy’s financial and corporate strategy by:

1. Subsidising operational expenditure which government grant no longer covers
2. Strengthening the Academy’s financial independence by adding capital to the Academy’s Development Fund (ADF)
3. Increasing income available from the ADF in order to cover the costs, for the time being, of other strategic priorities and initiatives.
4. Providing a clear conduit through which conferences and events may be organised, operated and managed.

The group’s total funds amounted to £37.3m as at 31 March 2019, an increase of £1.5m on the year before, chiefly because of the retained surplus of £0.9m generated by Clio plus a legacy donation received of £0.5m.

Funds and Reserves

The Academy Development Fund (ADF)

This remains the Academy's principal free reserve. At 31st March 2019 it is £10.3m. The Academy has discretion in its use of ADF fund and growth in this fund remains a strategic objective.

The intention in creating the Fund was to enable the Academy to take new initiatives funded by Fellows' subscriptions and donations along with investment income generated from capital. Increase in the capital value of the investment portfolio has contributed to growth over the past number of years as has the increase in Clio profits.

Other Unrestricted Funds

The BEIS Carlton House Terrace Fund

This fund was created following a receipt from BEIS of a £14.0m grant in 2017/18 in relation to securing the Academy's long-term future at 10-11 Carlton House Terrace. The fund is being written down over the life of the 125-year lease, which at the year end date has 124 years remaining.

Other general and designated funds include reserves set aside for operational expenses such as building repairs, decorations, IT systems and publications. These funds, excluding those invested in fixed assets, total £0.7m at 31 March 2019.

Permanent Endowment Funds

There are three permanent endowment capital funds, the Webster Fund, the Ullendorf Fund and the Rose Mary Crawshay Prize for English Literature, the capital totalling £0.6m at 31 March 2019. The capital of permanent endowment funds may not be spent.

Expendable Endowment Funds

These capital funds generate income for various prizes, lectures, grants and conferences. The capital value at 31 March 2019 is £8.3m.

Restricted Income Funds

The majority of the value of these funds is represented by the Carlton House Terrace property fund and it also includes income balances generated by permanent and expendable endowment capital held for various specific purposes, such as prizes, lectures, grants and conferences. The remaining balances are in regard to programmes of the Academy funded by Government and other grant making bodies.

Investment Powers and Policy

The Academy seeks to produce a consistent financial return within an acceptable level of risk. The investment objective is to generate a return of inflation plus three per cent per annum over the long term after expenses. This should allow the Academy to maintain the real value of the assets, while funding annual expenditure in the region of three per cent per annum. To achieve this, the Academy applies a proportion of its funds in equity and/or equity related investments balanced by an element of fixed income generating investments.

As asset valuations are constantly affected by factors such as changing discount rates, liquidity and confidence levels, achievement of the Academy's investment objectives is assessed over the longer term. Council is advised on investment matters by an Investment Management Committee chaired by the Treasurer and attended

by at least one external member with fund manager experience. £18.3m is held in several tracker funds managed by BlackRock Advisors (UK) Ltd. Investment funds managed by BlackRock provided a return of 2.9 per cent for the year 2018/19.

The Academy's assets are invested in line with its aims. The Trustees do not adopt an inclusionary or exclusionary policy, being a passive investor, but individual investments may be excluded if materially conflicting with the Academy's objects.

Reserves Policy

Unrestricted Funds (general and designated Funds) have a combined balance at 31 March 2019 of £24.9m, an increase of £0.6m from last year. As noted above, the Academy is free to devote the income of the ADF to whatever object it deems fit. Council continues to view the long-term growth of the fund as key to a further strengthening of the Academy's financial independence. This would require an unrestricted endowment of at least £100m in order to generate an annual return to cover current annual operating expenditure in perpetuity. Taking general Funds and the ADF to be the free reserves of the Academy (excluding any investment in tangible fixed assets), the Academy's free, unrestricted reserves amount to £10.5m as at 31 March 2019 (£9.7m as at 31 March 2018). Council considers the minimum level of free reserves to be £5m, broadly equivalent to operational expenditure for one year. The Council is minded to adopt a capital or endowed model for the covering of such annual expenditure and thus the long-term capital target of £100m remains the long term objective.

Going Concern

The Trustees consider that there are no material uncertainties about the Academy and its subsidiary to continue as a going concern.

Governance and Management

The British Academy is a charity, registered with the Charity Commission for England and Wales (number 233176). Its principal place of business is its registered office at 10-11 Carlton House Terrace, London SW1Y 5AH, and its professional advisers are listed on page 2.

The Academy was established by Royal Charter in 1902. It is a private, independent, self-governing corporation, composed of almost 1,000 UK Fellows and 300 overseas Fellows elected in recognition of their distinction as scholars and researchers. Its objectives, powers and framework of governance are set out in the Charter and its supporting Bye-Laws, as approved by the Privy Council.

The Academy receives public funding from the Science and Research budget allocated by a grant from the Department for Business, Energy and Industrial Strategy (BEIS). It also receives support from private sources and draws on its own funds. It endeavors to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life and with the Guidance on Codes of Practice for Board Members of Public Bodies, issued by the Cabinet Office.

Public Benefit Reporting

The Council, as formal Trustees of the Academy, operates in accordance with the Charities Act 2011 and this Annual Report meets the requirement in the Act to set out the public benefits of the Academy's work. The Council is also satisfied that it has complied with the duties set out in Section 17 of the Act to have due regard to the public benefit guidance published by the Charity Commission.

The objects of the Academy as set out in its Charter are “the promotion of the study of the humanities and social sciences”.

The purpose of the Academy is to deepen understanding of people, societies and cultures, enabling everyone to learn, progress and prosper by inspiring, supporting and promoting outstanding achievement and global advances in the humanities and social sciences.

As a registered charity, the Academy undertakes a range of activities that provide public benefit:

- providing financial support to academics at various stages of their careers in the UK and internationally;
- funding programmes that advance understanding of the humanities and social sciences;
- providing expert advice to policy makers regarding our subjects;
- promoting the importance of the humanities and social sciences internationally; and
- staging programmes to engage the public with the humanities and social sciences.

The public benefit of the work of the Academy is delivered both directly through its own activities and indirectly through the research and capacity building it funds. This research covers a very broad field, including all 17 of the UN Sustainable Development goals.

Trustees

The Academy's Trustees are the members of its Council. Nominations for vacancies are sought and received by the Nominations Committee and new members are elected by the Fellowship. Following election, new members of Council are provided with an information pack comprising the Charter, Statutes, Bye-laws and Regulations of the Academy, a Charity Commission publication on the responsibilities of charity Trustees and the Strategic Plan. A thorough induction is provided and members are also encouraged to attend recommended external training courses for charity Trustees.

Council and Committees

Council is responsible for the governance of the Academy, making decisions on strategy, policy and finance. To aid this it is supported by a number of committees who discuss and advise on matters including finance, audit and risk, membership and nominations. Memberships of the committees include Fellows, other researchers and others with relevant expertise. Committees that report directly to Council include:

- Standing Committee of Council: Council's principal executive advisory committee comprising the Officers of the Academy.
- Audit Committee: A committee examining the Academy's arrangements for governance, risk management, internal control, and value for money, and which advises Council on their adequacy and effectiveness.
- Nominations Committee: A committee advising Council on the strongest candidates for election as members of Council.

The day to day managements of the affairs of the Academy is delegated to the Chief Executive and Secretary and the Senior Management Team.

Remuneration of Trustees and Senior Management Personnel

None of the Officers or Council members receives any payment apart from the reimbursement of expenses for their work for the Academy. The Academy has a Remuneration Committee, which meets annually and whose terms of reference include the setting of pay for its senior management personnel. The committee takes into account performance reviews, relevant sectoral pay awards and pay benchmarking exercises conducted by independent professional consultants.

Fundraising Statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Such amounts receivable are presented in our accounts as “voluntary income” and include legacies and donations. The Academy regularly reviews its fundraising objectives and targets and investing in its fundraising activities accordingly.

In relation to the above we confirm that all solicitations are managed internally without involvement of commercial participants or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the Senior Management Team, who are accountable to the Trustees.

The charity is registered with the Fundraising Regulator and follows its guidance and standards in order that our fundraising activity adheres to their code of conduct whilst following best practice. No complaints were received during the year in relation to our fundraising. The appropriateness of our fundraising activity continues to form a natural part of our risk management framework and our scheme of delegation.

Grant Making Policy

The Academy's grant making policy and procedures are set out in its Code of Practice for Consideration of Research Proposals, published on its website. Guidelines are issued on the information to be supplied by applicants, details of the criteria against which applications are assessed, and the process and timescale for assessing them.

Applications are judged on their academic merit through a stringent process of peer review by appropriately qualified experts, normally drawn from the Academy's Fellowship, then passed to the relevant awarding committee for the final decision. Appeals may not be made against the academic judgement of the Academy's assessors, panels, or committees, but may be made on the sole ground of improper procedure.

Assessors are required to declare actual or potential conflicts of interest. Fellows of the Academy who wish to apply for a grant during the period in which they are serving in any capacity as an assessor must abstain from any involvement in the competition to which they are applying. The Code of Practice is reviewed annually.

Risk Management

Council has overall responsibility for the Academy's risk management and internal control systems. The Audit Committee's remit includes reviewing the development and effectiveness of the risk management arrangements and keeping them under review. The Audit Committee reviewed the risk register at its meetings in June 2018 and January 2019. To support its work, the Audit Committee commissioned an Internal Audit review of the Academy's arrangements for risk management and recommendations for improvement that was considered by the Audit Committee in June 2019.

A Strategic Risk Register is maintained by the Head of Secretariat. The strategic risks are linked to the delivery of the Academy's Strategic Plan. The Strategic Risk Register includes description of risk and mitigating actions. A separate risk register is maintained for the project to develop a new forum for world-class thinking involving redevelopment of 10-11 Carlton House Terrace.

The principal risks identified in the corporate risk register include the following.

- Inability to secure funding to achieve strategic objectives
- Failure of programmes or communications
- Inability to maintain share of funding of humanities and social sciences
- Changes that may arise relating to Brexit and political risks
- Retention and motivation of staff, risk to continuity from key staff
- Unprofessional conduct affecting people or reputation of the Academy
- Inadequate controls on awards and use of funds
- Risks associated with a significant building redevelopment project
- Security of data and physical estate
- Ineffective governance and gaps in compliance with legal requirements

A range of controls and mitigations are in place with further actions planned to reduce the likelihood of risks occurring and the impact in the event that they do occur. In addition to operational controls, these actions include preparation of a range of scenarios for the forthcoming government spending review, appropriate committee oversight of programmes and communications, review of delegated authorities, the appointment of a Head of Secretariat to support governance and compliance issues, and a separate risk register for the 10-11 Carlton House Terrace development project.

Volunteers

The Academy is critically dependent on the voluntary services of its Fellows who, whether as Officers, Chairs or members of the Sections, Committees and Sub-committees, or as referees and assessors, perform a wide and crucial range of tasks for which they are wholly unremunerated outside the recovery of their direct expenses. The Academy also consults external academic experts and relies extensively on the services and goodwill of numerous referees and assessors outside its Fellowship and external members of the Investment Management and Audit Committees. All this constitutes an unquantifiable voluntary contribution without which the Academy would be unable to fulfil its objectives.

Auditors

A resolution for the appointment of BDO LLP for the ensuing year will be proposed at the Annual General Meeting.



Approved by Council on 18 June 2019

Professor Sarah Worthington QC (Hon), FBA
Treasurer

Statement of Council's Responsibilities

The Council (as Trustee body of the Charity) is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity Law requires the Council to prepare for each financial year financial statements that give a true and fair view of the state of affairs of the group and parent charity and of the incoming resources and application of resources of the group for the year. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, including FRS 102, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with Charities Act 2011 and regulations made there under. They are responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Council has taken steps to:

- Ensure that funds from BEIS are used only for the purposes for which they have been given and in accordance with the BEIS grant terms and conditions and any other conditions which BEIS may from time to time prescribe
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- Safeguard the assets of the Academy and prevent and detect fraud
- Secure the economical, efficient and effective management of the Academy's resources and expenditure

Independent Auditor's Report to Trustees of the British Academy

Opinion

We have audited the financial statements of The British Academy ("the Parent Charity") and its subsidiary ("the Group") for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the parent's statement of financial activities, the consolidated and Parent Charity only balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2019 and of the Group's incoming resources and application of resources and the Parent Charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report of the Trustees, other than the financial statements and our auditor's report thereon. The other information comprises: The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters as required by BEIS

In our opinion, in all material aspects, the grant payments received from the Department of Business, Energy and Industrial Strategy Skills (BEIS) have been applied for the purposes set out in the Core Grant Letter and in accordance with the terms and conditions of the grants.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Council's Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Poulter (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor

London
Date: 24 June 2019

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated and Academy Statement of Financial Activities

Year ended 31 March 2019

2019

	Notes	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2019 Funds	2018 Funds
		£	£	£	£	£	£
Income and endowments from							
Donations and legacies	3	-	225,410	4,000	531,910	761,320	250,884
Charitable activities							
Grants receivable	4	-	5,200	49,051,944	-	49,057,144	58,754,763
Other trading activities							
Funds generated	5	2,642,978	241,422	-	-	2,884,400	2,577,173
Investment income	6	25,488	277,353	249,821	-	552,662	492,569
Other incoming resources	7	-	-	191,005	-	191,005	172,889
Total incoming resources		2,668,466	749,385	49,496,770	531,910	53,446,531	62,248,278
Expenditure on							
Cost of generating income	8	1,737,268	771,203	5,620	-	2,514,091	2,203,775
Charitable activities							
Grants and awards, Property etc.	8	-	496,533	49,362,401	-	49,858,934	44,797,329
Investment management fees	8	-	21,506	19,372	-	40,878	-
Total expenditure		1,737,268	1,289,242	49,387,393	-	52,413,903	47,001,104
Net (Loss)/Gains on investments	12	-	273,403	-	246,263	519,666	(67,141)
Net incoming/(outgoing) resources		931,198	(266,454)	109,377	778,173	1,552,294	15,180,033
Transfers between funds	17	(931,198)	922,476	8,722	-	-	-
Net movement in funds		-	656,022	118,099	778,173	1,552,294	15,180,033
Fund balances brought forward at 1 April 2018		200,000	24,057,805	3,268,050	8,177,793	35,703,648	20,523,615
Total funds carried forward at 31 March 2019		200,000	24,713,827	3,386,149	8,955,966	37,255,942	35,703,648

All of the above results are derived from continuing activities. There are no other recognised gains or losses other than those stated above.

The consolidated and Academy statement of financial activities includes the results of the charity's wholly owned subsidiary, Clio Enterprises Ltd.

Statement of Financial Activities of the Academy

as at 31 March 2019

	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2019 Funds	2018 Funds
	£	£	£	£	£	£
Income and endowments from						
Donations and legacies	-	225,410	4,000	531,910	761,320	250,884
Qualifying charitable donation	905,710	-	-	-	905,710	989,109
Charitable activities						
Grants receivable	-	5,200	49,051,944	-	49,057,144	58,754,763
Other trading activities						
Publications	-	241,422	-	-	241,422	218,849
Investment income	25,488	277,353	249,821	-	552,662	492,569
Other incoming resources	-	-	191,005	-	191,005	172,889
Total incoming resources	931,198	749,385	49,496,770	531,910	51,709,263	60,879,063
Expenditure on						
Raising funds	-	501,390	-	-	501,390	568,927
Charitable activities						
Grants and awards	-	496,533	49,362,401	-	49,858,934	44,797,329
Other						
Publications	-	269,813	5,620	-	275,433	265,633
Investment management fees	-	21,506	19,372	-	40,878	-
Total expenditure	-	1,289,242	49,387,393	-	50,676,635	45,631,889
Net (losses)/gains on investments	-	273,403	-	246,263	519,666	(67,141)
Net incoming/(outgoing) resources	931,198	(266,454)	109,377	778,173	1,552,294	15,180,033
Transfers between funds	(931,198)	922,476	8,722	-	-	-
Net movement in funds	-	656,022	118,099	778,173	1,552,294	15,180,033
Fund balances brought forward at 1 April 2018	200,000	24,057,805	3,268,050	8,177,793	35,703,648	20,523,615
Total funds carried forward at 31 March 2019	200,000	24,713,827	3,386,149	8,955,966	37,255,942	35,703,648

Consolidated and Academy Balance Sheets

as at 31 March 2019

	Notes	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Fixed Assets					
Tangible assets	11	15,763,172	15,611,154	15,763,172	15,611,154
Investments	12, 13	18,312,283	17,256,839	18,312,293	17,256,849
		34,075,455	32,867,993	34,075,465	32,868,003
Current Assets					
Debtors	14	1,899,889	2,313,502	2,397,136	2,540,943
Cash at bank and in hand		3,521,170	17,823,029	2,643,028	17,303,032
		5,421,059	20,136,531	5,040,164	19,843,975
Creditors					
Amount falling due within one year	15	(2,220,722)	(17,262,058)	(1,839,837)	(16,969,512)
Net Current Assets		3,200,337	2,874,473	3,200,327	2,874,463
Creditors					
Amounts falling due after more than one year	16	(19,850)	(38,818)	(19,850)	(38,818)
Net Assets		37,255,942	35,703,648	37,255,942	35,703,648
Represented by:					
Endowment funds	17	8,955,966	8,177,793	8,955,966	8,177,793
Restricted funds	17	3,386,149	3,268,050	3,386,149	3,268,050
General funds	17	200,000	200,000	200,000	200,000
Designated funds	17	24,713,827	24,057,805	24,713,827	24,057,805
		37,255,942	35,703,648	37,255,942	35,703,648

The Financial Statements on pages 33 to 61 were approved and authorised for issue on 18 June 2019 and signed by:



Professor Sarah Worthington QC
Treasurer



Robin Jackson
Chief Executive and Secretary

Consolidated Cash Flow Statement

as at 31 March 2019

	2019 (£)	2018 (£)	
Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period	1,552,294	15,180,033	
Depreciation charges	243,628	168,346	
Losses/(gains) on investments	(519,666)	67,141	
Purchase of property, plant and equipment	(395,646)	-	
Investment Income	(552,662)	(492,569)	
(Increase)/Decrease in debtors	413,613	(1,474,788)	
Increase/(Decrease) in creditors	(15,039,903)	261,555	
Net cash inflow/(outflow) from operating activities	(14,298,342)	13,709,718	
Cash flow statement			
Net cash inflow from operating activities	(14,298,342)	13,709,718	
Returns on investments	552,662	492,569	
Financial investment	(531,910)	(330)	
Finance lease payments	(20,400)	(20,400)	
Increase in cash and liquid resources	(14,297,990)	14,181,557	
Reconciliation of net cash inflow			
Change in cash and liquid resources	(14,297,990)	14,181,557	
Cash and liquid resources at 1 April 2018	17,913,581	3,732,024	
Cash and liquid resources at 31 March 2019	3,615,591	17,913,581	
Notes to Cash flow statement			
Note (i) Gross cash flows			
Financial investment			
Payments to acquire investments	(531,910)	(375,950)	
Receipts from sales of investments	-	375,620	
	(531,910)	(330)	
Note (ii) Analysis of change in net funds			
	At 1 April 2018 (£)	Cash flows (£)	At 31 March 2019 (£)
Cash in hand, at bank	17,823,028	(14,301,859)	3,521,169
Cash held with investment managers	90,553	3,869	94,422
	17,913,581	(14,297,990)	3,615,591

Notes to the Accounts

as at 31 March 2019

Accounting Policies

A. Basis of preparation of the accounts

The Annual Report, incorporating the financial statements for the year ended 31 March 2019, has been prepared in accordance with the Academy's Royal Charter, and in compliance with the Charities Act 2011, the Statement of Recommended Practice applicable to the charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP).

The financial statements have been prepared under the historical cost convention, as modified for the inclusion of investment assets.

The financial statements are prepared on a going concern basis. The Trustees have reviewed reserve levels, budget and cash flow forecast for the next 12 months and believe the going concern basis to be appropriate.

B. Group and charity financial statements

Group financial statements consolidate the results of the charity and its wholly owned subsidiary Clio Enterprises Ltd on a line-by-line basis. A separate statement of financial activities for the charity itself is also presented. Notes to the accounts for the parent alone are not prepared, as the notes to consolidated financial statements identify the charity results.

C. Incoming Resources

The specific bases for accounting for income are described below. In general terms, income is accounted for on a receivable basis, gross of related expenditure. Income is only recognised where there is evidence of entitlement, its receipt is probable and there is reasonable certainty of the amount.

- Donations and legacies include donations which are accounted for in the year in which they are received, subscriptions and gift aid.
- Grants receivable are recognised when entitlement to the grant is confirmed. This also includes returned grants which are accounted for on receipt. Grant income received for expenditure in future accounting periods is deferred.
- Venue hire income includes income receivable from the rent and hire of rooms. Income received in advance is deferred until entitlement to the income has arisen at which time it is credited to income in the statement of financial activities.
- Publications income includes royalties which are recognised on an accruals basis.
- Investment income is included in the Statement of Financial Activities in the year in which it is receivable.
- Other incoming resources consist of conference, service provision and recharges income.
- Capital grants are recognised in the year in which they are received and are accounted for in a separate fund.

D. Resources Expended

Expenditure is recognised on an accruals basis, gross of any related income. Where costs cannot be directly attributed to particular categories they have been allocated to activities on a basis consistent with the use of resources.

- Costs of raising funds include expenditure incurred in generating unrestricted and restricted income through fundraising.
- Charitable activities include grants, awards, prizes and other activities supporting the Academy's aims and objectives. Grants are charged to the statement of financial activities when a constructive obligation exists notwithstanding that they may be paid in future periods.
- Other expenditure includes expenditure directly incurred in generating income from the subsidiary activity, publications programme and investments.
- Governance costs include those associated with the management of the Academy's assets and with constitutional and statutory requirements. They are allocated to activities on a full-time staff equivalent basis.

E. Operating Leases

Rental costs under operating leases are charged to the Statement of Financial Activities, as the charges are incurred, over the lease period.

F. Tangible Fixed Assets

Furniture and equipment at a cost of up to £25,000 is treated as revenue expenditure.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

- Furniture and equipment - over five years
- Leasehold improvements – 5 per cent
- Long leasehold – over the lease term
- Items which are fully depreciated are treated as disposals
- Items under finance leases are capitalised and written off over the term of the lease.

G. Investments

Listed investments are included in the financial statements at market value which is measured at bid price.

Gains/losses on disposal of investments and revaluation of investments are recognised in the year of gain or loss and are allocated to the funds to which the investments relate in accordance with their percentage share of the investments.

H. Stocks of Publications

Costs of publications are written off in the Statement of Financial Activities when incurred. Stocks of books donated to the Academy for its library are not valued within the accounts.

At 31 March 2019, the estimated value of stocks of publications not included in the balance sheet was £91,560 (2018: £57,912), being the lower of cost and net realisable value.

I. Pensions

The Academy is a Participating Employer in Superannuation Arrangements of the University of London (SAUL). The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual

employers. As a whole, the market value of SAUL's assets was £3,205 million representing 102% of the liabilities for benefits accrued up to 31 March 2017.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The Academy accounts for its participation in SAUL as if it

were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

The scheme's actuary has approved that the employers contribution to SAUL for 2018 to 2023 remains at 16.0% of salary.

J. Funds

Endowment funds represent capital funds which must be held permanently or which may be expended by the Academy. Income arising from Endowment funds is allocated to the correspondingly named individual restricted income funds in accordance with their percentage share of the investments and applied for the purposes for which they were originally given.

Restricted Funds are funds that are subject to restrictions imposed by donors and are applied in accordance with these restrictions. Details of the nature and purpose of certain restricted funds are set out in note 17.

General Funds are those which are available for use at the Council's discretion in the furtherance of the Academy's objects.

Designated Funds are unrestricted funds set aside for unrestricted purposes and which would otherwise form part of General Funds. Details of the nature and purpose of each designated fund are set out in note 17.

K. Tax

The Academy is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

The subsidiary, Clio Enterprises Ltd made qualifying donations of all taxable profit to the Academy so no corporation tax liability on the subsidiary arises in the accounts.

L. Heritage Assets

In accordance with section 34 of FRS102 heritage assets acquired have not been capitalised, since reliable estimates of cost or value are not available on a basis that would justify the costs of establishing them. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Additions to heritage assets are made by purchase or donation. Purchases are initially recorded at cost and donations are recorded at a fair value where practicable.

2

Accounting Estimates and Judgements

as at 31 March 2019

In preparing these financial statements, the Trustees have made the following judgements:

- Determine whether there are indicators of impairment of the charity's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Whether leases entered into by the charity as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Listed investments are valued at the quoted bid price at the reporting date.

3

Donations & Legacies

as at 31 March 2019

	Designated (£)	Restricted (£)	Endowment (£)	2019 Total (£)	Designated (£)	Restricted (£)	Endowment (£)	2018 Total (£)
Donations	103,995	4,000	-	107,995	149,648	10,000	-	159,648
Legacies	30,000	-	531,910	561,910	1,076	-	-	1,076
Subscriptions *	91,415	-	-	91,415	90,160	-	-	90,160
Total	225,410	4,000	531,910	761,320	240,884	10,000	-	250,884

* Subscriptions are gift aided

4

Grants Receivable

as at 31 March 2019

Grants receivable is split between designated and restricted funds. £5,200 (2018: £5,000) pertain to designated funds and £49,051,944 (2018: £58,749,763) pertain to restricted funds.

	2019 (£)	2018 (£)
Department for Business, Energy & Industrial Strategy: Main Grant	27,000,000	27,000,000
Department for Business, Energy & Industrial Strategy: Carlton House Terrace	-	14,000,000
Department for Business, Energy & Industrial Strategy: Global Challenges Res. Fund	3,000,000	3,000,000
Department for Business, Energy & Industrial Strategy: Cities & Infrastructure	2,974,250	2,519,160
Department for Business, Energy & Industrial Strategy: Early Childhood Development	1,000,000	1,000,000
Department for Business, Energy & Industrial Strategy: Global Research Talent	7,232,238	4,059,375
Department for Business, Energy & Industrial Strategy: Newton Fund	2,510,829	2,578,322
Department for International Development: Early Childhood Development	874,468	943,750
Department for International Development: Modern Slavery	1,058,100	941,900
Department for International Development: Anti Corruption	124,023	163,040
Leverhulme Trust	770,544	857,716
Grants returned redistributed	1,610,926	725,774
Wolfson Foundation	250,000	220,000
Other grants	651,766	745,726
	49,057,144	58,754,763

5

Funds
Generated

as at 31 March 2019

	General (£)	Designated (£)	Restricted (£)	2019 Total (£)	General (£)	Designated (£)	Restricted (£)	2018 Total (£)
Generated income								
Venue hire	2,642,978	-	-	2,642,978	2,358,324	-	-	2,358,324
Publications	-	241,422	-	241,422	-	218,849	-	218,849
Total generated income	2,642,978	241,422	-	2,884,400	2,358,324	218,849	-	2,577,173
Cost of generating income								
Raising funds	-	501,390	-	501,390	-	568,927	-	568,927
Venue hire costs	1,737,268	-	-	1,737,268	1,369,215	-	-	1,369,215
Publications	-	269,813	5,620	275,433	-	265,633	-	265,633
Total cost of generating income	1,737,268	771,203	5,620	2,514,091	1,369,215	834,560	-	2,203,775

6

Investment
Income

as at 31 March 2019

	Unrestricted (£)	Restricted (£)	2019 Total (£)	Unrestricted (£)	Restricted (£)	2018 Total (£)
Investment income	277,353	249,821	527,174	238,602	248,150	486,752
Bank interest	25,488	-	25,488	5,817	-	5,817
	302,841	249,821	552,662	244,419	248,150	492,569
UK						
Bonds	74,307	66,931	141,238	58,488	60,828	119,316
Equities	110,487	99,520	210,007	81,261	84,513	165,774
Bank and deposit interest	25,488	-	25,488	5,817	-	5,817
	210,282	166,451	376,733	145,566	145,341	290,907
Overseas Equities	92,559	83,370	175,929	98,853	102,809	201,662
	302,841	249,821	552,662	244,419	248,150	492,569

7

Other Incoming
Resources

as at 31 March 2019

	Restricted (£)	2019 Total (£)	Restricted (£)	2018 Total (£)
Service recharges	-	-	60,000	60,000
UK Border Agency	176,150	176,150	90,350	90,350
Conferences	11,716	11,716	11,611	11,611
Sundry income	3,139	3,139	10,928	10,928
	191,005	191,005	172,889	172,889

Total Resources Expended

Expenditure on charitable activities was £52,413,903 (2018: £47,001,104) of which £1,737,268 pertained to unrestricted general funds (2018: £1,369,215), £1,289,242 to designated funds (2018: £757,394) and £49,387,393 was restricted (2018: £44,874,495).

Year ended 31 March 2019

	Direct costs (£)	Staff costs (£)	Depreciation (£)	Support costs (£)	Total 2019 (£)	2018 Total (£)
Costs of generating funds						
Fundraising	170,762	285,916	-	44,712	501,390	568,927
Venue hire	1,093,500	275,573	-	368,195	1,737,268	1,369,215
Publications	143,980	93,215	-	38,238	275,433	265,633
Investment managers' fees	40,878	-	-	-	40,878	-
Total costs of generating funds	1,449,120	654,704	-	451,145	2,554,969	2,203,775
Charitable activities						
Grants awards and activities						
Research programmes						
Early career fellowships	14,443,432	153,217	-	164,448	14,761,097	12,436,325
Mid career fellowships	3,660,779	118,395	-	69,984	3,849,158	4,485,317
Senior research fellowships	576,659	-	-	-	576,659	418,460
Newton fellowships	1,851,712	69,644	-	28,336	1,949,692	1,291,552
Small research grants	2,948,776	208,932	-	51,549	3,209,257	2,937,387
Rising stars awards	317,205	76,608	-	8,587	402,400	605,248
Excellence kitemark	203,252	55,715	-	3,006	261,973	237,172
Policy engagement	776,137	770,346	-	136,082	1,682,565	1,711,967
Communications & Public engagement	959,323	730,825	-	109,019	1,799,167	1,437,592
Future of the Corporation	155,830	69,050	-	32,093	256,973	171,214
International programmes						
International challenges	1,218,790	270,168	-	52,181	1,541,139	1,315,309
British International Research Institutes	4,171,482	104,466	-	136,531	4,412,479	4,461,598
Global Challenges (BEIS)	3,002,727	66,176	-	93,601	3,162,504	3,089,882
Cities & Infrastructure (BEIS)	2,651,496	66,732	-	248,380	2,966,608	2,519,156
Visiting Fellowships (BEIS)	842,328	-	-	67,500	909,828	1,472,446
Global Professorships (BEIS)	1,236,522	27,950	-	205,528	1,470,000	-
Newton fund	2,588,905	88,932	-	96,693	2,774,530	2,578,322
Early Childhood Development (BEIS)	769,487	67,324	-	82,676	919,487	975,000
DfID Early Childhood Development	815,718	29,174	-	35,826	880,718	916,273
DfID Anti-corruption programme	239,881	15,031	-	26,440	281,352	177,750
DfID Modern Slavery	899,840	59,200	-	119,360	1,078,400	921,601
Other grants, prizes & lectures	111,190	1,693	-	1,102	113,985	148,118
Property, Equipment & Conservation etc.	287,082	64,007	243,628	4,246	598,963	489,640
Total charitable activities	44,728,553	3,113,585	243,628	1,773,168	49,858,934	44,797,329
Total resources expended	46,177,673	3,768,289	243,628	2,224,313	52,413,903	47,001,104

Grants Paid To Institutions

as at 31 March 2019

The 50 largest total payments to single institutions in 2018/19 and the total payments made to them in 2017/18 were as follows:

Institution	2019 (£)	2018 (£)
University of Oxford	4,661,993	4,002,076
University College London	2,514,369	2,370,048
University of Cambridge	2,190,697	1,936,355
King's College London	1,546,374	1,217,015
London School of Economics	1,387,461	1,221,100
University of Edinburgh	1,320,270	1,285,463
British School at Rome	1,099,515	1,018,672
School of Oriental and African Studies	1,000,632	426,304
University of Exeter	934,417	728,264
University of Warwick	870,071	570,796
University of Sussex	777,098	769,137
British School at Athens	776,012	694,143
University of Nottingham	748,049	784,848
Council for British Research in the Levant	739,171	714,999
University of Glasgow	737,903	522,875
University of Leeds	732,673	648,248
University of Sheffield	717,337	627,085
Queen Mary, University of London	717,002	425,333
University of Bristol	696,001	839,027
University of Kent	693,299	600,554
University of East Anglia	684,731	383,286
British Institute of Archaeology at Ankara	659,153	682,905
Durham University	658,542	530,296
University of Birmingham	643,290	766,441
Manchester University	643,079	792,349
British Institute of Eastern Africa	608,088	514,247
University of Essex	600,365	535,506
University of York	575,479	682,280
Royal Holloway, University of London	570,395	488,582
University of Reading	561,209	210,793
Loughborough University	515,289	499,900
Newcastle University	448,392	533,920
Coventry University	423,327	230,428
University of Liverpool	404,031	229,520
Institute of Development Studies	366,791	547,783

Institution	2019 (£)	2018 (£)
Goldsmiths, University of London	354,555	206,974
University of Leicester	315,278	296,201
University of St Andrews	282,708	263,522
International Institute for Environment	251,691	138,295
Cardiff University	232,296	547,783
Bangor University	211,802	166,962
Oxford Brookes University	201,474	92,304
Liverpool John Moores University	187,788	30,987
Birkbeck University of London	182,877	215,524
University of Westminster	176,422	104,651
Institute for Fiscal Studies	175,616	437,051
Heriot-Watt University	165,659	157,089
School of Advanced Study	162,672	127,651
Northumbria University	162,085	46,443
University of Bath	161,777	255,234

Analysis Of Total Grants Payable

Total amount of grants payable included in total charitable activities for the year is £42,436,559 (2018: £37,758,870).

	Grants to institutions (£)	Grants to individuals (£)	2019 Total (£)	Grants to institutions (£)	Grants to individuals (£)	2018 Total (£)
Fellowship	24,907,862	-	24,907,862	21,272,301	-	21,272,301
Small Grants	2,894,393	51,950	2,946,343	2,675,249	75,468	2,750,717
Overseas Research facilitation	4,463,958	-	4,463,958	4,370,434	-	4,370,434
Global & UK Challenges	4,221,517	-	4,221,517	3,836,563	-	3,836,563
Research Projects	5,579,674	-	5,579,674	5,026,057	-	5,026,057
Engagement Awards	317,205	-	317,205	502,798	-	502,798
Other grants	-	-	-	-	-	-
	42,384,609	51,950	42,436,559	37,683,402	75,468	37,758,870

8.1

Governance Costs Included in Total Resources Expended

as at 31 March 2019

	2019 (£)	2018 (£)
External Audit	22,940	21,700
Internal Audit	11,417	7,158
Council and AGM travel	11,516	10,258
Staff costs	89,005	88,759
Support costs	60,122	53,933
Depreciation	272	278
	195,272	182,086

£10,248 (2018: £10,263) of the above governance costs were unrestricted with the remainder being restricted.

9

Staff Costs

as at 31 March 2019

	2019 (£)	2018 (£)
Salaries	2,865,962	2,515,276
Social security costs	308,488	271,631
Pension costs - SAUL	375,075	361,229
Other staff costs*	218,764	139,240
	3,768,289	3,287,376

*Other staff costs include severance payments of £27,163 relating to 2 positions (2018: £44,503 for 3 positions).

The average number of permanent employees (all administrative staff) during the year was 72 (2018: 65)

Remuneration of higher paid staff greater than £60,000 is:

Salary (£)	2019	2018
60,000–70,000	1	–
70,001–80,000	1	1
80,001–90,000	2	3
140,001–150,000	1	1

Total employer pension contributions for the higher paid staff above were £72,483 compared to £74,845 in 2017/18.

Total remuneration received by key management personnel for services during the year is £530,674 (2018: £526,714).

No Officer or Ordinary Member of the Council received any remuneration from the Academy for the year ended 31 March 2019 (2018: £Nil). Such members are reimbursed in respect of travel and other expenses necessarily incurred by them in the furtherance of the Academy's activities. During the year ended 31 March 2019 such reimbursement to 25 Council members (2018: 25) amounted to £10,284 (2018: £8,735).

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Net Incoming Resources are After Charging

as at 31 March 2019

	2019 (£)	2018 (£)
Auditors		
Remuneration	22,940	21,700
Other services	1,659	1,035
Investment management fees	-	-
Operating leases		
Land and buildings	624,113	680,000

11

Tangible Fixed Assets – Group and Academy

as at 31 March 2019

	Long Leasehold (£)	Leasehold improvements (£)	Furniture and equipment (£)	Leased assets (£)	Total (£)
	£	£	£	£	£
Cost					
At 1 April 2018	14,000,000	4,440,061	-	50,439	18,490,500
Additions	-	350,905	44,741	-	395,646
Disposals	-	-	-	-	-
At 31 March 2019	14,000,000	4,790,966	44,741	50,439	18,886,146
Depreciation					
At 1 April 2018	-	2,861,692	-	17,654	2,879,346
Charge for the year	112,000	121,540	-	10,088	243,628
Disposals	-	-	-	-	-
At 31 March 2019	112,000	2,983,232	-	27,742	3,122,974
Net book value					
At 31 March 2019	13,888,000	1,807,734	44,741	22,697	15,763,172
At 31 March 2018	14,000,000	1,578,369	-	32,785	15,611,154

12

Investments – Group and Academy

as at 31 March 2019

	2019 (£)	2018 (£)		
At 1 April 2018	17,166,286	17,233,097		
Additions	531,910	375,950		
Disposals	-	(375,620)		
Net (loss)/gain in market value	519,666	(67,141)		
	18,217,862	17,166,286		
Bank balances	94,421	90,553		
At 31 March 2019	18,312,283	17,256,839		
Fixed Interest and Equities at cost	15,562,974	15,031,064		
	UK	Overseas	Total 2019	Total 2018
Comprising	£	£	£	£
Bonds	3,596,699	-	3,596,699	3,562,602
Equities and cash	4,835,775	9,879,809	14,715,584	13,694,237
	8,432,474	9,879,809	18,312,283	17,256,839

The Academy has invested £10 in the share capital of its wholly owned subsidiary.

13

Clio Enterprises Ltd: Venue Hire

as at 31 March 2019

The wholly owned trading subsidiary Clio Enterprises Ltd was incorporated in the United Kingdom on 7 April 2011 (company registration number: 07595846) and handles the hospitality activity of the Academy. It donates all of its profits to the charity by gift aid. As such no corporation tax is payable. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2019 (£)	2018 (£)
Turnover	3,330,122	3,073,478
Cost of sales and administration costs	(2,426,253)	(2,085,210)
Interest receivable	1,842	841
Net profit	905,711	989,109
Amount gift aided to the charity	(905,711)	(989,109)
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	1,068,901	730,301
Current liabilities	(1,068,891)	(730,291)
Shareholder's funds/total net assets	10	10

The above results are shown in the consolidated statement of financial activities net of intra-group trading

14

Debtors

as at 31 March 2019

	Group 2019 (£)	Group 2018 (£)	Academy 2019 (£)	Academy 2018 (£)
Debtors	197,394	213,169	16,434	8,647
Amounts due from subsidiary	-	-	686,358	437,744
Prepayment and accrued income	1,677,136	2,087,323	1,668,985	2,081,542
Recoverable VAT	25,359	13,010	25,359	13,010
	1,899,889	2,313,502	2,397,136	2,540,943

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Creditors: Amounts falling due within one year

as at 31 March 2019

	Group 2019 (£)	Group 2018 (£)	Academy 2019 (£)	Academy 2018 (£)
Other creditors	608,746	313,135	358,583	161,077
Grants and awards (see below)	660,699	2,074,545	660,699	2,074,545
Accruals	824,577	14,731,411	819,581	14,726,666
Deferred income	126,700	142,967	974	7,224
	2,220,722	17,262,058	1,839,837	16,969,512
Lease Obligation included in creditors	18,969	38,818	18,969	38,818
Grant and awards included within creditors				
Grants and awards allocated, not yet paid comprise:				
Early career fellowships			167,626	202,559
Newton fellowships			231,935	333,276
Small Research Grants			94,434	1,336,455
International engagement			166,704	202,255
			660,699	2,074,545
Deferred income				
At 1 April 2018	142,967	243,600	7,224	118,065
Taken to income in the year	(142,967)	(521,414)	(6,250)	(117,091)
Taken to deferred income in the year	126,700	420,781	-	6,250
At 31 March 2019	126,700	142,967	974	7,224
Deferred income is split as below:				
Amount falling due within one year (see above)	126,700	142,967	974	7,224
Amount falling due after one year	-	-	-	-
	126,700	142,967	974	7,224

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Creditors: Amounts Falling Due After More Than One Year

as at 31 March 2019

	Group 2019 (£)	Group 2018 (£)	Academy 2019 (£)	Academy 2018 (£)
Lease obligation	19,850	38,818	19,850	38,818
Deferred income	-	-	-	-
Total amount falling due after more than one year	19,850	38,818	19,850	38,818

Net Movement in Funds

Page 1 of 2

	Balance 1st April 18 (£)	Incoming resources (£)	Resources expended (£)	Transfers (£)	Net realised /unrealised gains/losses (£)	Balance 31 March 19 (£)
Permanent Endowment Funds						
Rose Mary Crawshay	35,077	-	-	-	1,056	36,133
Edward Ullendorff	117,553	-	-	-	3,540	121,093
Webster	453,590	-	-	-	13,659	467,249
Total Permanent Endowment Funds	606,220	-	-	-	18,255	624,475
Expendable Endowment Funds						
Elizabeth Barker	483,759	-	-	-	14,568	498,327
Browning	193,225	-	-	-	5,819	199,044
Caton Thompson	194,078	-	-	-	5,844	199,922
Neil Ker	441,258	-	-	-	13,288	454,546
Leopold Schweich	249,112	-	-	-	7,502	256,614
Stenton	536,470	-	-	-	16,155	552,625
Albert Reckitt	2,234,312	-	-	-	67,283	2,301,595
Stein Arnold	247,809	-	-	-	7,462	255,271
Thank Offering to Britain	1,190,747	-	-	-	35,858	1,226,605
S T Lee	291,938	-	-	-	8,791	300,729
Marc Fitch	568,498	-	-	-	17,119	585,617
Other	940,367	531,910	-	-	28,319	1,500,596
Total Expendable Endowment Funds	7,571,573	531,910	-	-	228,008	8,331,491
Total Endowment Funds	8,177,793	531,910	-	-	246,263	8,955,966
Restricted Income Funds						
<i>Investment funds</i>						
Elizabeth Barker	8,876	14,778	(7,354)	-	-	16,300
Browning	14,085	5,903	(6,212)	-	-	13,776
Caton Thompson	16,326	5,929	(6,239)	-	-	16,016
Neil Ker	60,788	13,480	(6,822)	-	-	67,446
Leopold Schweich	111,126	10,406	(6,210)	-	-	115,322
Webster	62,453	13,857	(12,590)	-	-	63,720
Stenton	85,223	16,518	(15,637)	-	-	86,104
Albert Reckitt	132,255	68,255	(71,834)	-	-	128,676
Stein Arnold	19,440	7,570	(6,186)	-	-	20,824
Thank Offering to Britain	138,725	36,376	(18,095)	-	-	157,006
S T Lee	43,001	8,918	(6,232)	-	-	45,687
Marc Fitch	238	17,367	(17,584)	-	-	21
Other	193,926	33,390	(29,476)	-	-	197,840
	886,462	252,747	(210,471)	-	-	928,738

Continued...

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	Balance 1st April 18 (£)	Incoming resources (£)	Resources expended (£)	Transfers (£)	Net realised/ unrealised gains/losses (£)	Balance 31 March 19 (£)
Non-investment funds						
BEIS grant	-	27,000,000	(27,000,000)	-	-	-
Grants returned redistributed	-	1,610,926	(1,610,926)	-	-	-
Academy other support costs	-	-	(18,675)	18,675	-	-
DfID Anti-corruption programme	78,709	124,023	(202,732)	-	-	-
DfID Modern Slavery	20,300	1,058,100	(1,078,400)	-	-	-
BEIS Cities & Infrastructure	3	2,974,250	(2,966,608)	-	-	7,645
BEIS Early Childhood Development	25,000	1,000,000	(919,487)	-	-	105,513
DfID Early Childhood Development	27,477	874,468	(880,718)	-	-	21,227
Global Challenges	33,411	3,000,000	(3,033,411)	-	-	-
Global Research Talent	(21,954)	7,232,238	(7,210,264)	-	-	20
Newton fund	-	2,510,829	(2,510,829)	-	-	-
Leverhulme Trust	251,830	770,544	(832,031)	-	-	190,343
Wolfson Foundation	192,468	250,000	(231,184)	-	-	211,284
Future of the Corporation	265,286	303,600	(256,973)	-	-	311,913
Other	121,215	535,045	(317,238)	(9,953)	-	329,069
CHT Property	1,387,843	-	(107,446)	-	-	1,280,397
	2,381,588	49,244,023	(49,176,922)	8,722	-	2,457,411
Total Restricted Income Funds	3,268,050	49,496,770	(49,387,393)	8,722	-	3,386,149
Unrestricted Funds						
General Funds	200,000	2,668,466	(1,737,268)	(931,198)	-	200,000
Designated funds						
Academy Development Fund (ADF)	9,527,171	488,429	(873,985)	922,476	273,403	10,337,494
Property-ADF	190,529	-	(14,094)	-	-	176,435
BEIS Carlton House Terrace	14,000,000	-	(112,000)	-	-	13,888,000
Research Fund	-	19,534	(19,350)	-	-	184
Publications	90,105	241,422	(269,813)	-	-	61,714
Repairs and maintenance	150,000	-	-	-	-	150,000
External redecoration	100,000	-	-	-	-	100,000
Total Designated Funds	24,057,805	749,385	(1,289,242)	922,476	273,403	24,713,827
Total Unrestricted Funds	24,257,805	3,417,851	(3,026,510)	(8,722)	273,403	24,913,827
Total Funds	35,703,648	53,446,531	(52,413,903)	-	519,666	37,255,942

Net Movement in Funds Continued

as at 31 March 2019

Endowment Funds

Permanent endowment funds represent capital funds which must be held permanently by the Academy. The purposes for which the income generated by these assets is to be applied are shown below:

Rose Mary Crawshay Fund: For historical or critical work of sufficient value on any subject connected with English Literature.

Edward Ullendorff Fund: For awarding achievement in the field of Semitic and Ethiopian languages and culture.

Webster Fund: For entertaining and representation overseas, and the better administration of the Academy

Expendable endowment funds represent capital funds which Trustees have the power to convert into income funds if there is a requirement to spend or apply the capital. The purposes for which the income generated by these assets is to be applied are shown for the funds below:

Elizabeth Barker Fund: Supports studies in recent European history, particularly the history of central and eastern Europe.

Browning Fund: Funds original research, or its publication, in the field of British history in the early modern period with particular reference to the seventeenth century.

Caton Thompson Fund: For the furtherance of archaeological research, whether in the field or in publication, by scholars selected preferably but not necessarily from the Fellows of the Academy.

Neil Ker Fund: Supports the promotion of the study of Western medieval manuscripts, in particular those of British interest.

Leopold Schweich Fund: Funds lectures, and their publication, on subjects relating to the archaeology, art, history, languages and literature of Ancient Civilisation with reference to Biblical Study.

Stenton Fund: Supports three undertakings: Syllogue of Coins of the British Isles, the Seldon Society, and the Pipe Roll Society.

Albert Reckitt Fund: Funds annual awards for the exploration and excavation of ancient sites and the preservation and exhibition of objects discovered, and the publication of results.

Stein Arnold Fund: Funds research on the antiquities, historical geography, early history or arts in parts of Asia.

Thank Offering to Britain Fund: Funds the equivalent of a Senior Research Fellowship.

S T Lee Fund: Funds a visiting fellowship on a topic related to the humanities or social sciences.

Marc Fitch Fund: To further research in any area of humanities or social sciences and also fund fellowship allowing postdoctoral scholars to have three years to work on a major programme of research and gain teaching experience.

Donald Winch Fund: To support scholarly activity in the field of intellectual history which may include lectures, events, research funding and prizes.

Restricted Income Funds

Investment funds are those funds arising from income generated through investment of endowment funds. These funds are applied for the intended restricted purposes.

Non-investment funds are those arising from grants made by government, research foundations, philanthropic societies and funds supporting other activities:

BEIS Grant: This includes grant income and expenditure. The balance represents the net book value of assets bought over the years.

Academy Other Support Costs: represent BEIS activity support costs not covered by BEIS operational grant which have to be funded by the Academy's unrestricted funds. The subsidy for the year amounted to £18,675.

DFID Anti-Corruption Programme: represents activity funded by DFID aimed at promoting research to contribute to the development of more effective policies and interventions that will reduce corruption in developing countries and address its negative impact on people's lives.

DfID Modern Slavery Programme: funds research which aims to address Sustainable Development Goal 8.7 in relation to taking immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour.

BEIS Cities and Infrastructure Programme: funds interdisciplinary research projects that address the challenge of creating and maintaining sustainable and resilient cities in developing countries.

BEIS GCRF and DfID Early Childhood Development Programme: funds interdisciplinary research projects that will inform the policies and interventions that will transform the life chances and destinies of children in their early years in lower and middle income developing countries.

Global Research Talent Programme: provides awards to overseas researchers active at any career stage and in any discipline within the humanities and social sciences. These awards demonstrate the British Academy's profound commitment to international engagement and aim to strengthen the UK's research base in the humanities and social sciences.

Future of the Corporation Programme: represents activity funded by individuals and trusts to address the purpose of business and what its role in society should be.

Newton Fund: represents activity funded by BEIS aimed at promoting research and innovation capacity in developing countries.

Leverhulme Trust: Funds seven awards which allow established scholars to undertake or complete programmes of sustained research for the duration of one year and supports small research grants in the humanities and social sciences.

Wolfson Research Professorship: Funds four Research Professorship awards over a three-year period.

Other non-investment funds: Funds to support a few small awards for research, publication and education related to the promotion of the humanities and social sciences.

CHT property: The Academy received capital grants from BEIS and the Wolfson Foundation to fund the expansion and refurbishment of the Academy at 10-11 Carlton House Terrace.

Unrestricted Funds

General Fund: A general purpose fund providing liquidity and contingency funds.

Designated funds have been set aside for the following purposes:

Academy Development Fund: The Academy is free to devote the income of this fund to whatever object it deems fit. The purpose of the fund is to enable the Academy to take new initiatives at its unfettered discretion. Proposals for the use of the fund are reviewed annually. There was a transfer of £922,476 into the fund at the year-end largely from Clio, part of which covers the cost of fundraising.

Academy Development Fund-Property: This fund reflects the contribution that the Academy Development Fund made towards the expansion and refurbishment of the Academy during the 10-11 Carlton House Terrace project in 2011.

BEIS Carlton House Terrace: The balance represents the net book value of the lease premium paid in respect of the 125 year lease on the Academy's premises at 10-11 Carlton House Terrace. The grant for this fund was initially treated as restricted due to its sole purpose being to secure the new lease. It was then transferred to designated funds once the condition was fulfilled by committing to the new lease.

Research Fund: To assist the revival of the Academy's Small Research Grants scheme.

Publications: This fund is to cover the estimated direct costs of publications work in progress for the year ahead and resulted in an overall reduction of the fund by £28,391.

Repairs and maintenance fund: To cover certain repairs and maintenance relating to the building. There was no transfer into this fund this year, the fund stands at £150,000, which is consider sufficient, this reserve is reviewed annually.

External redecoration fund: To set aside sufficient funds to enable the Academy to comply with its obligation, under its lease with the Crown Estate, to redecorate the exterior of its building. Under the new lease this is to be carried out every five years beginning in 2019. The cost of this is now being treated as a provision within the accounts as opposed to a transfer of reserves.

18 Net Asset Funds

as at 31 March 2019

	Fixed assets (£)	Investments (£)	Net current assets (£)	Long term liabilities (£)	2019 Total assets (£)	2018 Total Assets (£)
Endowment	-	8,955,966	-	-	8,955,966	8,177,793
Restricted	1,303,091	-	2,102,908	(19,850)	3,386,149	3,268,050
General	-	-	200,000	-	200,000	200,000
Designated	14,460,081	9,356,317	897,429	-	24,713,827	24,057,805
	15,763,172	18,312,283	3,200,337	(19,850)	37,255,942	35,703,648

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Pension Scheme

as at 31 March 2019

General description of the pension scheme

The Academy participates in SAUL, which is a centralised defined benefit scheme within the United Kingdom and contracted-out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on either a Final Salary basis or a Career Average Revalued Earnings ("CARE") basis. Following a consultation with Members, the SAUL Final Salary Section closed from 31 March 2016 and all Members build up benefits on a CARE basis from 1 April 2016.

The Academy is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Funding policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2017. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The Technical Provisions deficit at the 31 March 2014 valuation was addressed by employer contributions of 3% of Salaries between 1 April 2016 and 31 March 2018 (inclusive). The overall level of the Employers' contribution therefore, increased from 13% of Salaries to 16% of Salaries with effect from 1 April 2016 and the Employers also agreed that this contribution rate would be maintained until at least 31 March 2020, irrespective of SAUL's funding level.

The Trustee and the Employers have agreed that no further benefit changes or contribution increases were required at the 2017 valuation. The existence of a small surplus provides scope for the Trustee to consider whether a change to, or review of, SAUL's investment strategy and approach could address the Contribution Strain. It is anticipated that this review will have concluded prior to the next formal valuation, due at 31 March 2020.

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Leases and Other Commitments

as at 31 March 2019

General description of the pension scheme

The Academy expended £624,113 (2018: £680,000) under an operating lease in respect of land and buildings in the 2018/19 financial year.

The Academy is committed to a 125 year long leasehold, for its premises 10-11 Carlton House Terrace with an annual rent of £645,000. The lease premium paid at the completion date of the lease is being written down over the useful economic life of the lease.

The Academy has commitments totalling £87,811 (2018: £222,814) in respect of work in progress on publications.

The Academy has a finance lease commitment of £38,818 (2018: £56,906) in respect of photocopiers. The lease expires in March 2021.

The Academy has an operating lease commitment of £33,357 (2018: £nil) in respect of IT equipment. The lease expires in October 2022.

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Contingent Liabilities

as at 31 March 2019

The Academy commits to multi-year grants funded from outside sources. Should those sources be withdrawn a contingent liability of £44.3m (2018: £37.0m) may arise.

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Related Party Transactions

as at 31 March 2019

Professor Nicholas Sims-Williams is Chair of Corpus Inscriptionum Iranicarum, a registered charity and company limited by guarantee. Corpus Inscriptionum Iranicarum received a grant of £2,100 from the Academy.

Under a contractor arrangement, Professor Julian Birkinshaw received £8,000, for services performed in relation to the Future of the Corporation Programme run by the Academy. These services included research regarding the programme, producing a final academic paper and recommendations for further research into the second phase of the programme.

Professor Julian Birkinshaw is also a board member of the Society for the Advancement of Management Studies (SAMS), which exists to advance management studies primarily in the UK and also overseas. SAMS provided funding to the Academy of £100,000 (2018: £150,000) in relation to the Future of the Corporation programme and an additional £54,410 (2018: £55,000) in relation to the Small Research Grants scheme.

Professor Sally Shuttleworth is employed as a member of the Research Awards Advisory Committee of the Leverhulme Trust. The Leverhulme Trust provided funding to the Academy of £770,544 (2018: £857,716) in relation to Senior Research Fellowships and the Small Research Grants scheme.

Donors

Over the past year the Academy has received its core funding grant from the Department for Business, Energy and Industrial Strategy (BEIS), with additional funding from the Department for International Development (DFID) and other organisations and individuals, including two generous legacies from Professor Donald Winch FBA and former President Lord Quirk of Bloomsbury. The Academy would like to express its deepest gratitude to all donors for their generous support during 2018/19, including many of our Fellows and the organisations listed below.

Amersi Foundation

Bates Wells Braithwaite

British Accounting & Finance Association

Cambridge University Press

Cordant Group Plc

Duke and Duchess of Wellington Charitable Trust

Foundation Nestar

Hermes Investment Management

Journal of Moral Education Trust

Leverhulme Trust

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Society for the Advancement of Management Studies

SSE

Wiley Blackwell

Wolfson Foundation

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